



AZ529

ARIZONA'S EDUCATION SAVINGS PLAN

OFFICE OF THE STATE TREASURER ARIZONA

2021 ANNUAL REPORT

January 1, 2021 - December 31, 2021





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March 1, 2022

Dear Governor Ducey, President Fann and Speaker Bowers,

On behalf of the Arizona State Treasurer's Office (ASTO) and the Arizona State Board of Investment (BOI), it is my honor to submit the annual report for AZ529, Arizona's Education Savings Plan or AZ529 Plan as required by A.R.S. § 15-1879.

Established in 1999, the AZ529 Plan is Arizona's version of the savings plans permitted under Section 529 of the Internal Revenue Code and designed to encourage individuals and their families to save for future educational expenses in a tax-deferred manner. As of December 2021, the AZ529 Plan had 97,759 accounts and approximately \$2.1 billion in total assets under management. Any person interested in pursuing post-high school training and educational opportunities at accredited institutions anywhere in the country, including traditional college, vocational and workforce training and apprenticeships, may be designated as a beneficiary of an AZ529 Plan account. Qualified educational expenses for which AZ529 Plan account funds may be used include tuition and fees, books, computers and room and board. In addition, both federal and state law allows up to \$10,000 per calendar year per beneficiary to be used to pay for public and private K-12 tuition expenses. Furthermore, up to a lifetime maximum of \$10,000 from an AZ529 Plan account per beneficiary may also be used for qualified student loan repayments.

In 2021, we established an exciting new partnership with Earn to Learn, a Tucson-based nonprofit organization, to help underprivileged student and families unlock the savings potential of an AZ529 Plan. We also translated AZ529 material into the Navajo language and partnered with the Arizona Broadcasters' Association and ran television and radio advertisements statewide for the first time in the history of the program.

Since the ASTO assumed responsibility over the AZ529 Plan in October 2020, over 14,836 new accounts have been added as of December 2021. This success is due in large part to the work of the 529 Plan Advisory Committee which is focused on expanding the Plan's outreach to communities across Arizona, with an emphasis on increasing access among economically disadvantaged, minority and underrepresented student populations.

If you have questions regarding the AZ529 Plan, please contact Jeffrey Ong, AZ529 Plan Administrator and Legislative Liaison, at (602) 542-7880 or jeffreyo@aztreasury.gov.

Sincerely,



The Honorable Kimberly Yee
Arizona State Treasurer



AZ529
ARIZONA'S EDUCATION SAVINGS PLAN

OFFICE OF THE STATE TREASURER ARIZONA

INTRODUCTION

The Arizona Family College Savings Program (AFCSP) was established pursuant to Laws 1997, Chapter 171 as the State of Arizona's qualified tuition program under Section 529 of the Internal Revenue Code (I.R.C.). In 2021, the name of the AFCSP was changed to AZ 529, Arizona Education Savings Plan (AZ529 Plan). The AZ529 Plan was formally launched under the Arizona Commission for Postsecondary Education in 1999 when the Plan first began accepting accounts. The AZ529 Plan is designed to help families meet the rising costs of post-high school education and, as such, offers an easy, flexible and tax-advantaged way to save for a variety of educational options, including traditional college, vocational training and apprenticeships. Laws 2020, Chapter 88 made changes to the way the AZ529 Plan is managed by designating BOI as the sole Plan Trustee and ASTO as the sole Plan Administrator, effective October 1, 2020.



Vision, Mission and Guiding Principles

The vision, mission and guiding principles for the AZ529 Plan have been established by ASTO, as follows:

VISION: To improve the educational opportunities of Arizonans by providing a high quality 529 Plan.

MISSION: To educate and assist Arizona families to financially prepare for postsecondary education, including traditional college, vocational training and apprenticeships, by providing quality college savings choices.

GUIDING PRINCIPLES:

- To fulfill the mandate of the Arizona Revised Statutes
- To see that the AZ529 Plan operates according to U.S. federal and Arizona state laws
- To see that the AZ529 Plan is serving the best interests of its current and future investors
- To communicate the AZ 529 Plan opportunity to the public, with emphasis on increasing Plan access among Arizona's economically-disadvantaged, minority and underrepresented student populations



PLAN RESPONSIBILITIES

Responsibilities of ASTO

ASTO is a statewide constitutional office headed by the Arizona State Treasurer (Treasurer) who is elected to a four-year term. The Treasurer is one of five statewide elected officials who make up the State of Arizona's Executive Branch pursuant to Article V, Section 1 of the Arizona Constitution. The mission of Treasurer is to protect taxpayer money as the State of Arizona's Banker, Chief Investment Officer and Financial Services Provider. ASTO's main responsibility is to administer the AZ529 Plan, to make recommendations to the BOI regarding selection of Plan providers and to review and advise regarding investment, operational and oversight procedures. ASTO's additional responsibilities include:

- Oversight of the AZ529 Plan Request for Proposal process, including recommendation to the BOI for approval;
- Suggestion of improvements in the Plan;
- Monitoring of Plan compliance; and
- Recruitment and appointment, by the Treasurer, of the AZ529 Plan Advisory Committee (Advisory Committee) to assist ASTO in promoting and raising awareness of the Plan to Arizona residents pursuant to A.R.S. § 41-179.

As of the date of this report, the Treasurer is The Honorable Kimberly Yee.

Responsibilities of the BOI

The establishment of the BOI is mandated by Article X, Section 7 of the Arizona Constitution, and its membership, powers and duties are specified in A.R.S. § 35-311. The BOI is comprised of five members who are as follows:

- The Treasurer as BOI Chair;
- Director of the Arizona Department of Administration or the Director's designee;
- Director of the Arizona Department of Insurance and Financial Institutions or the Director's designee; and
- Two Treasurer-appointed members, one of whom must have verifiable expertise in investment management and one of whom must represent a public entity with current deposits in ASTO's Local Government Investment Pool Program.

As AZ529 Plan Trustee, the BOI is responsible for approving financial institutions to serve as Plan providers that hold and manage AZ529 accounts and assets. The BOI may adopt rules to assist both ASTO and itself in implementing the AZ529 Plan and is permitted to terminate a contract with a financial institution at any time for good cause. In addition to its role as Trustee, the BOI is responsible for:

- Reviewing all ASTO investment activities; and
- Serving as the Trustee of the Arizona Permanent Land Endowment Trust Fund consistent with the requirements of Article X, Section 7 of the Arizona Constitution, the Arizona Endowment Trust Fund established pursuant to A.R.S. § 35-314.03, and any public



pension prefunding plan investment accounts established pursuant to A.R.S. § 35-314.04 as added by Laws 2020, Chapter 79.

BOI meetings are held monthly and are open to the public. BOI members are immune from personal liability with respect to all actions that are taken in good faith and within the scope of its authority. As of the date of this report, the BOI's membership is as follows:

- The Honorable Kimberly Yee, Arizona State Treasurer and BOI Chairwoman
- Director Andy Tobin, Arizona Department of Administration
- Director Evan Daniels, Arizona Department of Insurance and Financial Institutions
- Harry Papp, Managing Partner, L. Roy Papp & Associates
- The Honorable Beth Ford, Pima County Treasurer

Responsibilities of the Advisory Committee

The Advisory Committee is comprised of the Treasurer or the Treasurer's Designee as Chair and 10 Treasurer-appointed members who are as follows:

- Two community college district representatives: one from an urban county and one from a rural county;
- One public university representative;
- Two accredited private educational institution representatives: one from an institution offering Associate's, Bachelor's or Higher Degrees and one offering private vocational training;
- One teacher currently providing classroom instruction;
- One representative of a federally-recognized Indian tribe in Arizona;
- One representative of a U.S. Department of Labor-approved apprenticeship program; and
- Two public members.

The Advisory Committee is required to meet at least quarterly and both assists and makes recommendations to ASTO regarding promotional and informational activities relating to the AZ529 Plan, including increasing Plan access among economically-disadvantaged, minority and underrepresented student populations as required by A.R.S. § 41-179, Subsection A. As of the date of this report, the Advisory Committee's membership is as follows:

- The Honorable Kimberly Yee, Arizona State Treasurer and Advisory Committee Chairwoman
- Dr. David Dorè, President of Campuses and Executive Vice Chancellor, *Pima Community College*
- Keith Alexander, Special Assistant to the President for Community and Government Relations, *Eastern Arizona College*
- Dr. James Rund, Senior Vice President for Educational Outreach and Student Services, *Arizona State University*
- Len Munsil, President, *Arizona Christian University*
- David Eaker, Campus President, *The Refrigeration School*
- Karen Mensing, Technology Integration Facilitator/Teacher on Assignment, *Paradise Valley Unified School District*



- The Honorable Myron Lizer, Vice President of the Navajo Nation
- Gary Schleuger, Vice President of State Government Affairs and Relations, *University of Phoenix*
- Maria Baier, Vice President of External Affairs, *Great Hearts America*
- Christine Burton, Co-Founder, *Burton Family Foundation*

Responsibilities of ASTO Staff

The roles of the ASTO Staff with respect to the AZ529 Plan include:

- Support of the BOI in its oversight of the Plan, including Investment Risk Management Committee review of investment performance of Plan providers and organization of the annual provider review process;
- Monitoring the Plan for regulatory compliance;
- Bringing issues of importance or concern to the BOI and Treasurer;
- Acting as state agency liaison through the Request for Proposal process;
- Ensuring Plan manager compliance with contract requirements;
- Relationship management of the Plan providers in the administration of Plan operations and activities;
- Preparing Plan status reports for the BOI as Trustee;
- Reviewing Plan Provider offering materials;
- Coordinating Assistant Attorney General or other legal counsel evaluation as needed;
- Increasing public awareness of the Plan, including providing necessary Staff services to the Advisory Committee; and
- Other administrative support and research as directed by the BOI and Treasurer.

PLAN DEVELOPMENTS

The ASTO, in its capacity as AZ529 Plan Administrator, has authority to negotiate contracts with selected program managers, subject to the approval of the BOI, as AZ529 Plan Trustee (A.R.S. § 15-1874(D)). Since these contracts are limited to a maximum of seven years, the contracts with all three AZ529 program managers were subject to negotiation and approval in 2021 (A.R.S. § 15-1874(G)).

Fidelity Investments agrees to a new contract for the direct-sold AZ529 Plan

On August 31, 2021, the BOI approved a new seven-year contract with Fidelity Management and Research Company LLC (“FMR”) and Fidelity Brokerage Services LLC to continue collectively as the program manager for the direct-sold AZ529 Plan.

Key changes to the contract include the following:

- A 15% reduction in the program fee from 20 basis points to 17 basis points.
- An average 8% reduction in 21 Fidelity Funds portfolios ranging from a 12% reduction in fees for the longest dated age-based portfolio (20 years until college) to a 2% reduction



in fees for those portfolios with the shortest time horizon.

- Language that commits Fidelity to offer a stable value fund option for investors in the future.
- Language that commits Fidelity to offer a sustainability portfolio fund option for investors in the future.
- A marketing budget of 3 basis points of AUM by Fidelity to market the program nationwide and in Arizona.

Serving as an AZ529 program manager since 2005, the contract for Fidelity Investments was set to expire on September 15, 2021. In April, ASTO sent a letter to Fidelity inviting it to begin negotiations on a potential new seven-year contract. Throughout the contract negotiations, ASTO recognized that Fidelity provided valuable services to the State of Arizona, AZ529 account owners and beneficiaries.

Ascensus/Goldman Sachs assumes management of advisor-sold AZ529 Plan

On February 28, 2022, the BOI approved a new five-year contract with Ascensus College Savings Recordkeeping Services, LLC to become the program manager and recordkeeper for the advisor-sold AZ529 Plan with Goldman Sachs Asset Management providing investment management and distribution of the advisor sold plan. Transition of plan accounts and assets are expected to occur by the end of June 2022 from Ivy Investments. The contract contains a 2-year extension upon mutual agreement.

The BOI-approved Ascensus/Goldman Sachs investment menu will consist of:

- Individual portfolios to provide financial professionals with access to each major asset class and some specialty styles with a mix of active, quantitative and passive individual portfolios to best meet the needs of financial professionals and their clients.
- Target risk portfolios ranging from conservative (20% equities and 80% fixed income) to aggressive (90% equities and 10% fixed income) risk/return profiles including active, quantitative and passive strategies.
- Year of enrollment portfolios based upon time horizon, which are favorably positioned relative to peers, with a progressive glide path to provide a smooth transition for account owners to mitigate market timing risk and offering two-year age bands to best meet designated beneficiaries' demographics.

Ivy Investments had served as an AZ529 program manager since 2001. In April 2021, ASTO sent a letter to Ivy inviting it to begin discussions regarding a possible contract extension for the allowable three-year term. Meanwhile, on April 30, 2021, Macquarie Group announced completion of its acquisition of Ivy's parent company, Waddell & Reed Financial, Inc.



On June 2, 2021, ASTO received a response from Macquarie, declining to extend its AZ529 program manager contract while expressing its commitment to assisting ASTO with the up to 24-month transition period provided for in the existing contract. Both Macquarie's and ASTO's legal counsels have agreed that no separate transition services agreement need be entered into as Macquarie's transition obligations are governed by the existing contract.

The ASTO issued an RFP for the AZ 529 Advisory Program Manager in the Fall of 2021, and the evaluation committee recommended the bid provided by Ascensus with Goldman Sachs to be the new manager recordkeeper and asset manager and distributor.

College Savings Bank transitions accounts to Fidelity Investments

In April 2021, NexBank, CSB's parent company, notified the ASTO that after evaluating its business operations in the 529 industry, it intends to phase out its 529 businesses. Subsequently, ASTO has negotiated a transition services agreement with NexBank which agreed that:

- CSB will continue to service all CD products through their respective maturity dates, which extend through 2037.
- Upon maturity, CD products will be converted to Honors Savings Accounts, until specified transfer dates to Fidelity occur, unless otherwise directed by the Account owners or ASTO.
- All Honors Savings Accounts will be serviced by CSB until at least November 30, 2022, giving the ASTO, CSB and Fidelity time to develop a transition plan for those assets.
- CSB agrees to have a formal transition plan in place by April 1, 2022, for ASTO's approval. The transition plan will detail how management and servicing of all existing Honors Savings Accounts will be transitioned to Fidelity.
- A Transition Supplement and FAQ will be developed by CSB and Fidelity and include a letter from Arizona Treasurer by July 31, 2022, with final approval and mailing sent to customers by August 31, 2022. This communication will provide key dates, contact information for customers to reach CSB and Fidelity, and introduction to Fidelity 529 program and its benefits.
- Provide to the ASTO and all appropriate governmental and regulatory agencies all reports, and information as may be required or deemed necessary to obtain tax advantages available under State or Federal laws or make filings required by State or Federal law, as outlined.
- CSB will not solicit or accept new accounts nor receive new fund contributions to existing accounts after November 1, 2021.

CSB has served as an AZ529 program manager since 1999. The current contract was initiated on October 24, 2016, for a five-year term ending October 23, 2021.



PLAN MANAGEMENT

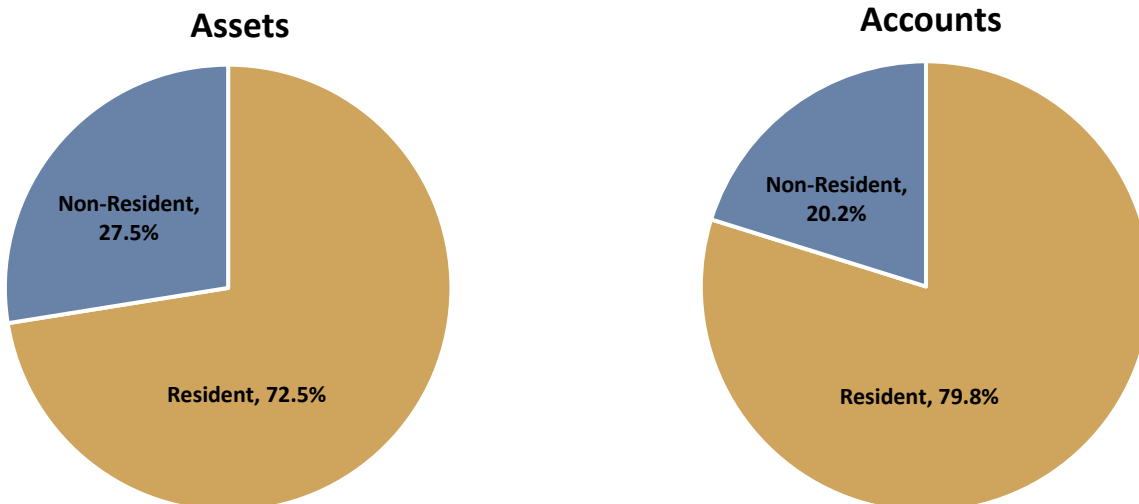
A Multi-Provider 529 Plan for Arizona

The AZ529 Plan was established as a multi-provider 529 Plan, ensuring that those who open AZ529 Plan accounts are given a variety of investment choices to meet their diverse investment styles and risk tolerances as consumers. As such, ASTO contracts with the following three financial institutions to offer three distinct consumer product options for the AZ529 Plan:

Fidelity Investments: An AZ529 Plan provider since 2005, Fidelity Investments offers both actively managed and index portfolios. Within those portfolio categories, consumers can choose from age-based allocation, static allocation and/or individual portfolios. As of December 2021, Fidelity managed 60,094 AZ529 Plan accounts and \$1.2 billion in Plan assets. As such, it was the largest AZ529 Plan provider with 61.5% of total Plan accounts and 60.4% of total Plan assets. *See Table 1.*



Table 1: Fidelity Arizona College Savings Plan (Direct-Sold Plan)



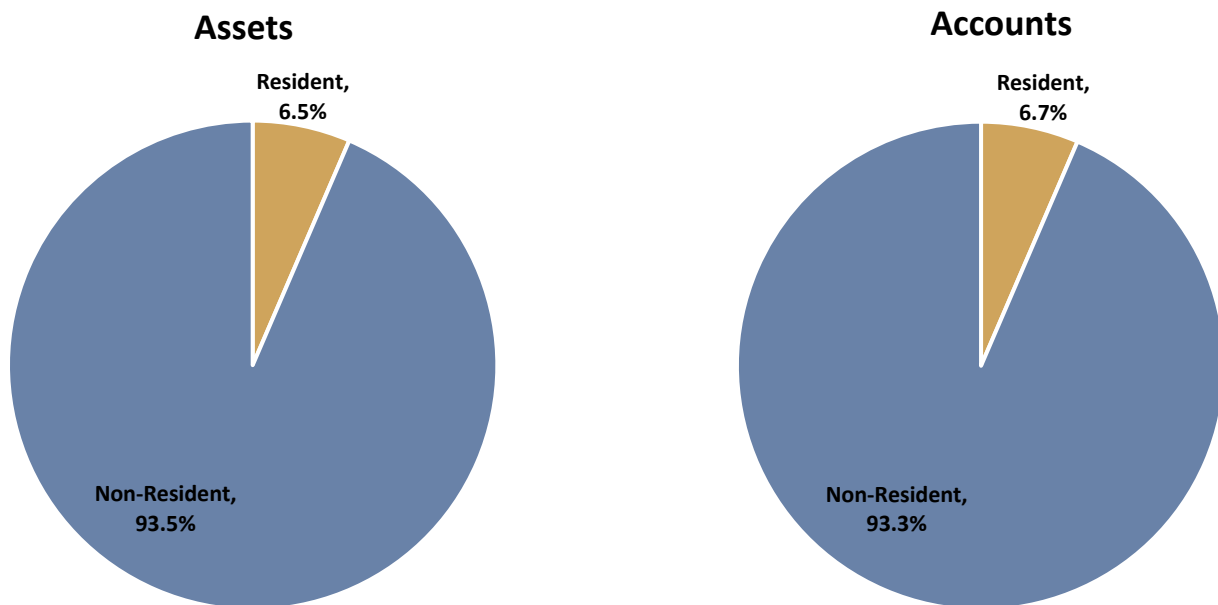
Assets				Accounts			
Resident	Non-Resident	Total	%Δ YoY	Resident	Non-Resident	Total	%Δ YoY
\$901,469,894	\$342,368,807	\$1,243,838,701	22.7%	47,967	12,127	60,094	15.5%



Ivy Investments: An AZ529 Plan provider since 2001, Ivy Investments, a subsidiary of Waddell & Reed, offers choices of investment products including age-based, static, and individual fund portfolios through financial advisors across the country. As of December 2021, Ivy managed 35,156 AZ529 Plan accounts and \$771.9 million in Plan assets. As such, it was the second largest AZ529 Plan provider, with 36% of total Plan accounts and 37.5% of total Plan assets. *See Table 2.*



Table 2: Ivy InvestEd 529 Plan (Advisor-Sold Plan)



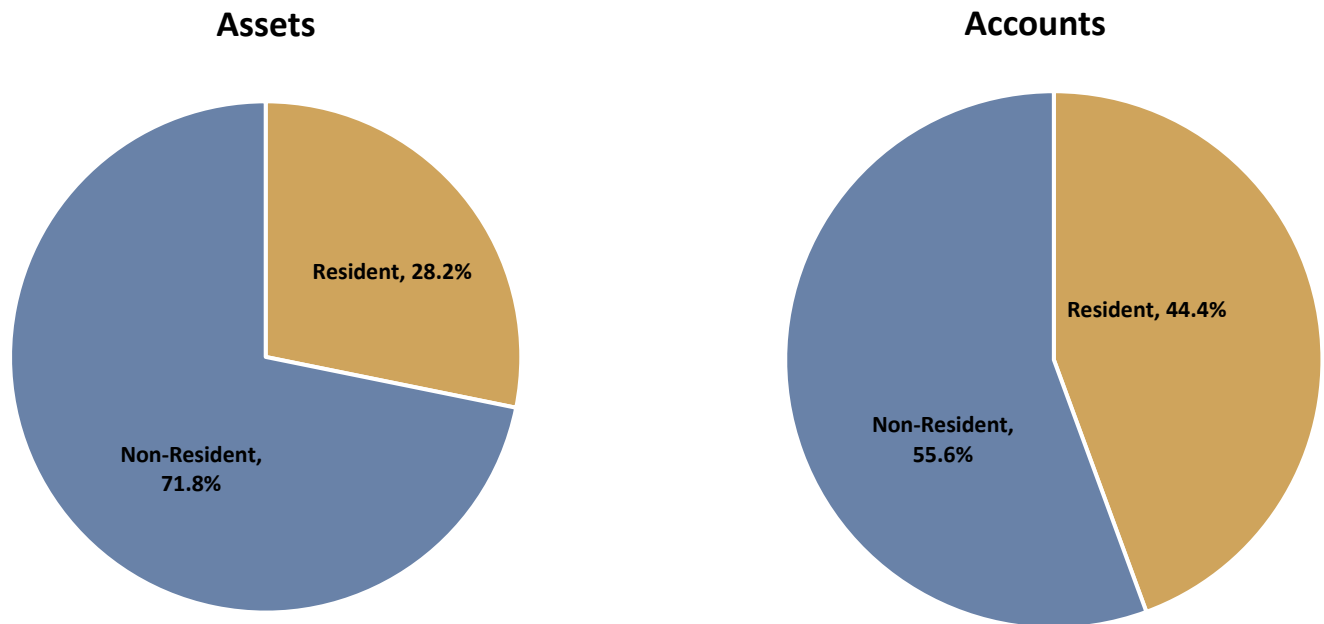
Assets				Accounts			
Resident	Non-Resident	Total	%Δ YoY	Resident	Non-Resident	Total	%Δ YoY
\$49,918,782	\$722,026,806	\$771,945,588	5.5%	2,358	32,798	35,156	-3.8%



College Savings Bank: An AZ529 Plan provider since 1999, College Savings Bank (CSB), a Division of NexBank SSB, provides fixed-rate Certificates of Deposit (CDs) and a high-yield savings account. Each account holder's principal is insured by the Federal Deposit Insurance Corporation (FDIC). As of December 2021, CSB managed 2,509 AZ529 Plan accounts and \$45 million in Plan assets. As such, it was the smallest AZ529 Plan provider with 2.6% of total Plan accounts and 2.2% of total Plan assets. *See Table 3.*



Table 3: College Savings Bank Plan (Direct-Sold Plan)



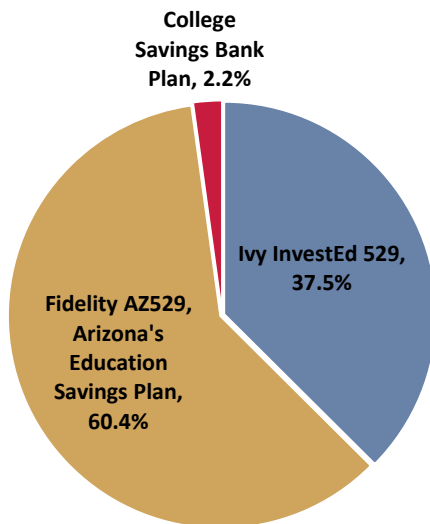
Assets				Accounts			
Resident	Non-Resident	Total	%Δ YoY	Resident	Non-Resident	Total	%Δ YoY
\$12,707,262	\$32,377,558	\$45,084,820	-11.9%	1,114	1,395	2,509	-10.9%



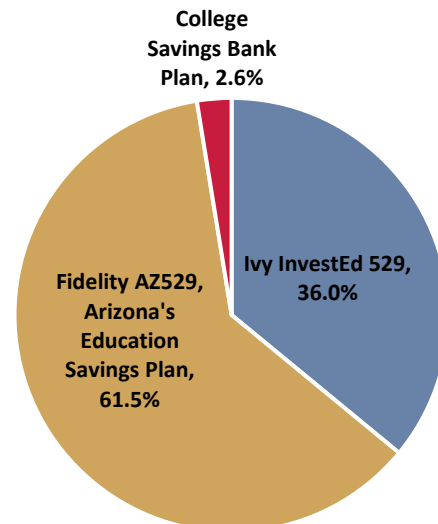
Prior to 2007, two additional contracted providers had serviced the AZ529 Plan. These providers were: 1) Pacific Life; and 2) Securities Management and Research (SM&R). Both these provider contracts were subsequently not renewed. The SM&R Plan accounts were converted to Waddell & Reed Plan accounts on September 28, 2007, and the Pacific Life Plan accounts were converted to Fidelity Investments Plan accounts on October 31, 2007. With oversight from ASTO and the BOI, the three current contracted providers managed a total of 97,759 AZ529 Plan accounts with approximately \$2 billion in combined Plan assets, as of December 2021. Of these, 51,439 accounts (or 52.6%) were held by Arizona residents with the remaining 46,320 accounts (or 47.4%) held by non-residents. **See Table 4.**

Table 4: AZ529 Plan Total Assets and Accounts

AZ529 Plan Total Assets



AZ529 Plan Total Accounts



Assets				Accounts			
Resident	Non-Resident	Total	%Δ YoY	Resident	Non-Resident	Total	%Δ YoY
\$964,095,938 (46.8%)	\$1,096,773,171 (53.2%)	\$2,060,869,109	14.7%	51,439 (52.6%)	46,320 (47.4%)	97,759	7.0%



New Partnership with Earn to Learn

On March 3, 2021, Treasurer Yee and Earn to Learn, a Tucson-based 501(c)(3) nonprofit organization, announced a new partnership between the AZ529 Plan and Earn to Learn's successful College Matched Savings Scholarship program for underprivileged students and families. Earn to Learn will use AZ529 as a platform to house the College Matched Savings accounts of its participants.

This partnership is a first-of-its kind in the nation, combining a proven scholarship model with the investment benefits and tax advantages of a 529 plan. Earn to Learn will work with students and families it serves to open accounts with Fidelity Investments. Earn to Learn will also assist their participants with selecting investment choices, monitoring account balances and initiating the movement of funds from 529 accounts to the appropriate educational institutions that participants decide to attend. To date, over 2,000 Arizona students have enrolled and successfully participated in the Earn to Learn Program, with more than \$3.45 million in student savings having provided approximately \$27.5 million in additional grant aid through Earn to Learn's 8:1 funding match.

AZ529 Plan Ratings

There are currently two organizations in existence that rate 529 plans, including the AZ529 Plan. These organizations are: 1) Morningstar; and 2) SavingforCollege.com. Current ratings for the three AZ529 Plan options are as follows:

- The Fidelity Arizona College Savings Plan is one of 21 Bronze rated 529 plans by Morningstar and is rated 4 "Caps" out of 5 by Saving for College. As of the 4th quarter of 2021, the Plan is also ranked in the top 10 plans across the nation for 3, 5 and 10 year returns by Saving for College.
- The Ivy InvestEd 529 Plan is rated 4 "Caps" out of 5 by Saving for College. The Plan was previously rated "Neutral" by Morningstar in 2019 but is no longer covered given Morningstar's new methodology.
- The College Savings Bank Plan is not rated by national firms. Unlike traditional 529 investment products, FDIC-insured 529 products, like the CDs and savings accounts that College Savings Bank offers, are generally not rated.

As the Administrator and Trustee, respectively, ASTO and the BOI are committed to continuously improving the AZ529 Plan's standing relative to all 529 Plans across the country. This includes working closely with Fidelity, Ivy and College Savings Bank, as well as Capital Cities, LLC, ASTO's contracted investment consultant for the Plan, to offer competitive, reliable and cost-effective investment choices to AZ529 accountholders to meet their and their families' future educational needs.



Tax Benefits for 529 Plan Participation

Any person who wants to save for qualified education expenses may open an AZ529 Plan. Parents can save for their children. Grandparents can save for their grandchildren. Aunts and uncles can save for their nieces and nephews. Friends can save for their friends. You can even save for yourself. Once an AZ529 Plan account is established, anyone can contribute to that account. AZ529 Plan earnings grow tax-free and will have no federal income taxes on withdrawals when used for qualified education expenses. For designated beneficiaries who are Arizona residents, AZ529 Plan funds are exempt from state taxation when used to pay qualified education expenses of the designated beneficiary.

A consumer, regardless of their state of residency, may choose to participate in any state's 529 plan. To incentivize 529 plan participation, Laws 2007, Chapter 258 added a state tax subtraction benefit that is available to Arizona residents who contribute to any of the 529 plans that are available across the country, not just the AZ529 Plan. In fact, this tax subtraction was increased starting September 29, 2021, the state of Arizona offers a tax deduction each year of up to \$2,000 *per beneficiary* for individual tax filers and up to \$4,000 *per beneficiary* for married couples filing a joint return (A.R.S. § 43-1022). In previous years, the deduction for 529 plan contributions was up to \$2,000 per individual filer and up to \$4,000 per married couple filing jointly.

It is important to note that an income tax subtraction, unlike a tax credit, does not provide a dollar-for-dollar reduction in tax liability. As a result, the benefit of the subtraction to tax filers in terms of actual tax savings is nominal. Line 34 of Arizona Form 140 (Resident Personal Income Tax Form) allows tax filers to indicate any contributions made to 529 plans for the applicable Tax Year.

Legislative Developments

Capitalizing on the work of the AZ529 Plan Advisory Committee, **Senate Bill 1260 sponsored by Senator Vince Leach**, adds two public members to the Committee with at least one representing a nonprofit organization based in Arizona. ASTO believes expanding membership on the Committee provides a greater diversity of viewpoints to determine how best to reach underrepresented and minority communities in Arizona and promote the AZ529 Plan. At the time of this report, S.B. 1260 passed the Senate and was scheduled for a hearing the House Committee on Education.

Laws 2021, Chapter 395 (Senate Bill 1844) sponsored by Senator David Livingston, allows Arizona taxpayers to subtract AZ529 Plan contributions in the following amounts starting in Tax Year 2021:

- \$2,000 per beneficiary, rather than only \$2,000, for a single individual; or
- \$4,000 per beneficiary, rather than only \$4,000, for a married couple filing jointly.



PLAN MARKETING

Advertising the AZ529 Plan - A Statewide, Multi-Faceted Effort

The ASTO has been diligently working to effectively market the Plan to all Arizona residents. For the first time, the AZ529 Plan had television and radio advertisements running across the state in partnership with the Arizona Broadcasters' Association and their Public Education Program.

The advertisements aired from July to December 2021 on 100 different statewide radio and television stations featuring Treasurer Yee as the spokesperson. On average, over 3,000 advertisements aired each month, with over 10,000 television and radio ads run over the six-month period.

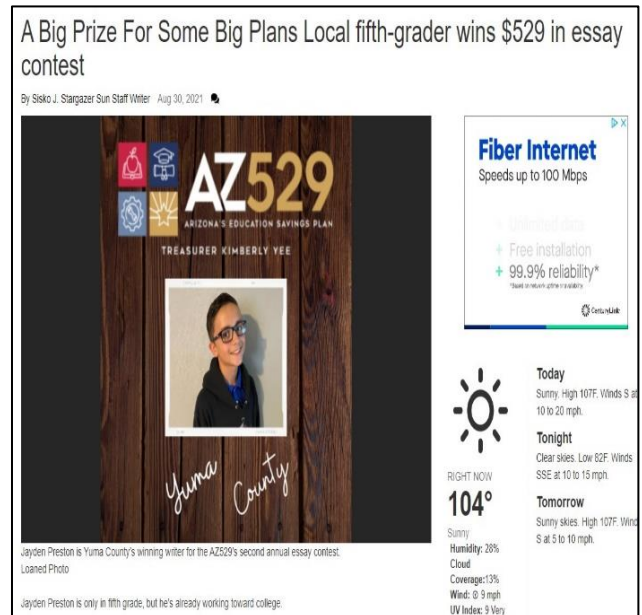


AZ529 Essay Contest



Continuing the statewide outreach, the AZ529 Essay Contest asked all Arizona 5th graders to tell us about their dream jobs. Over 100 students from around Arizona told us about their dreams to become professional athletes, astronauts, scientists, doctors and even two students who wanted to become President of the United States.

Over \$10,000 was awarded to 20 winners who each received an AZ529 prize worth \$529 and press releases featured the local student winners and their future career plans. Because of the essay contest, the AZ529 Plan received statewide media coverage with over 50 news media hits.

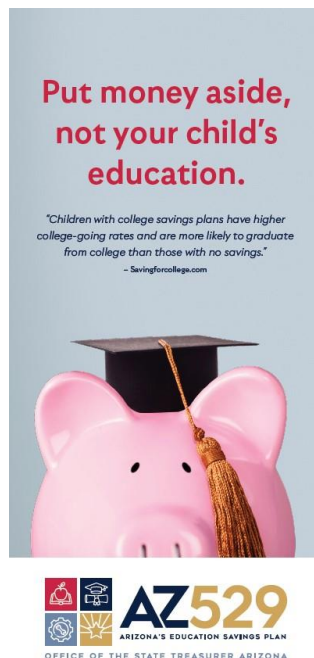
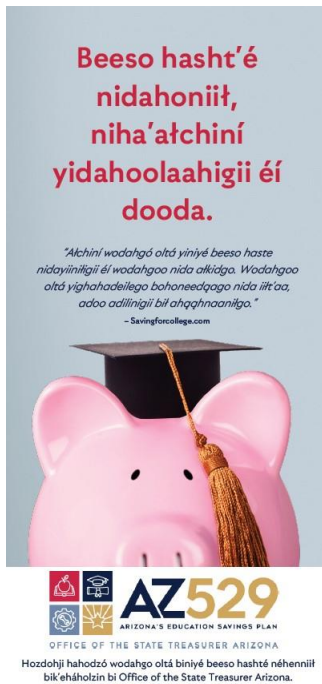




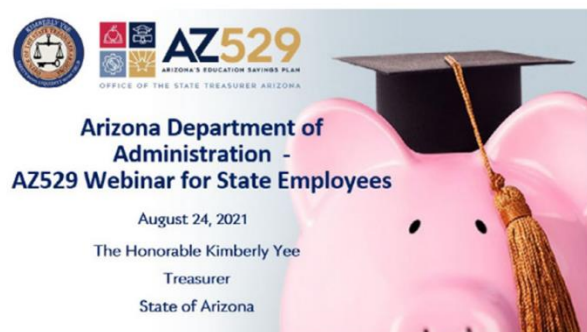
AZ529 Marketing Brochures and Educational Outreach

The ASTO is now offering the AZ529 brochure in the Navajo language in addition to English and Spanish. Our Office is currently looking for opportunities to distribute this new brochure throughout the Navajo Nation.

Also, in July, Treasurer Yee presented to the Inter-Tribal Council of Arizona, which represents the state's 21 other federally recognized tribes, about the AZ529 Plan and its many benefits.



Additionally, ASTO hosted various AZ529 webinars including with the Arizona Department of Administration and Copper State Credit Union. These webinars effectively targeted organizations and educated attendees about the benefits of an AZ529 Plan.



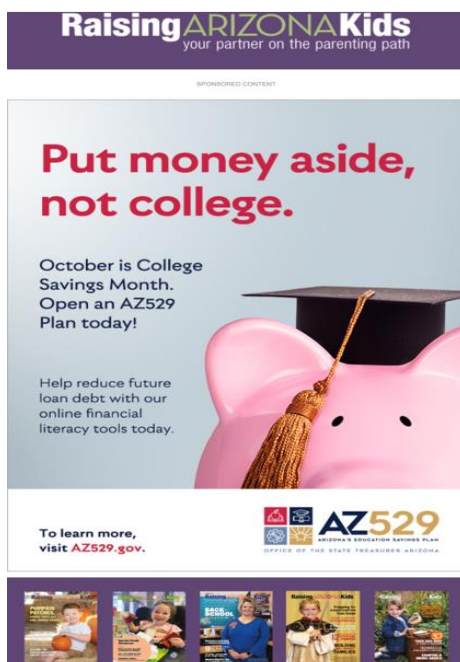


Continued Marketing Partnership

By continuing its partnership in 2021 with Davidson Belluso, Inc., a Phoenix-based, full-service advertising agency, ASTO widely marketed the AZ529 Plan to parents, grandparents and anyone interested in pursuing a post-high school education. Davidson Belluso utilized behavioral targeting measures to advertise paid digital and social media ads to Arizona adults 18 and older, English-speaking, and Spanish-speaking parents and grandparents. Davidson Belluso has consistently reported over-delivery of paid digital and social media ad impressions and engagement.



January 2021 Digital Ad – “Dream big. Save bigger. Start now.”



The AZ529 Plan also advertised with Raising Arizona Kids and Arizona Parenting Magazine in print publication form, email blasts, website and social media features. By advertising in parenting publications, the AZ529 Plan reached parents where they typically look for parenting tips and educational resources for their children.



CONCLUSION

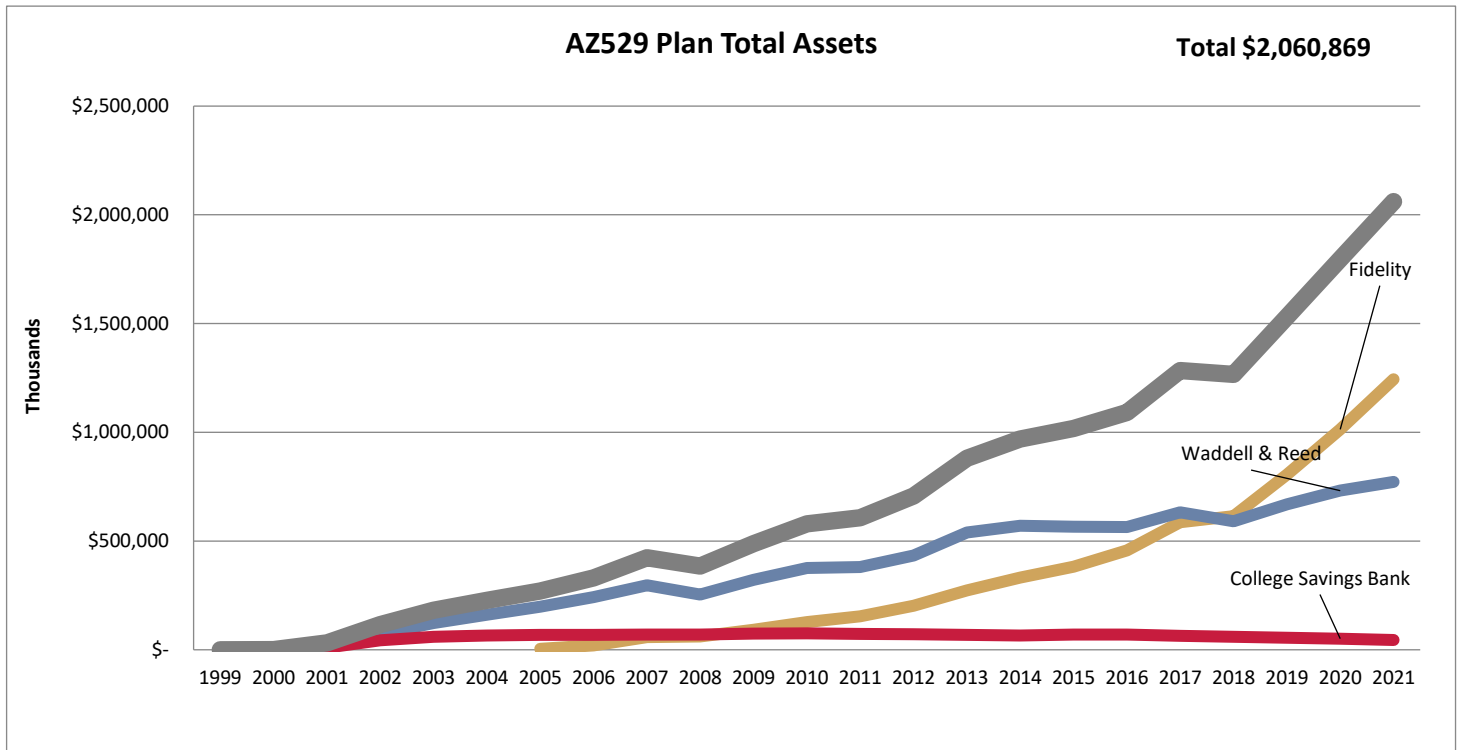
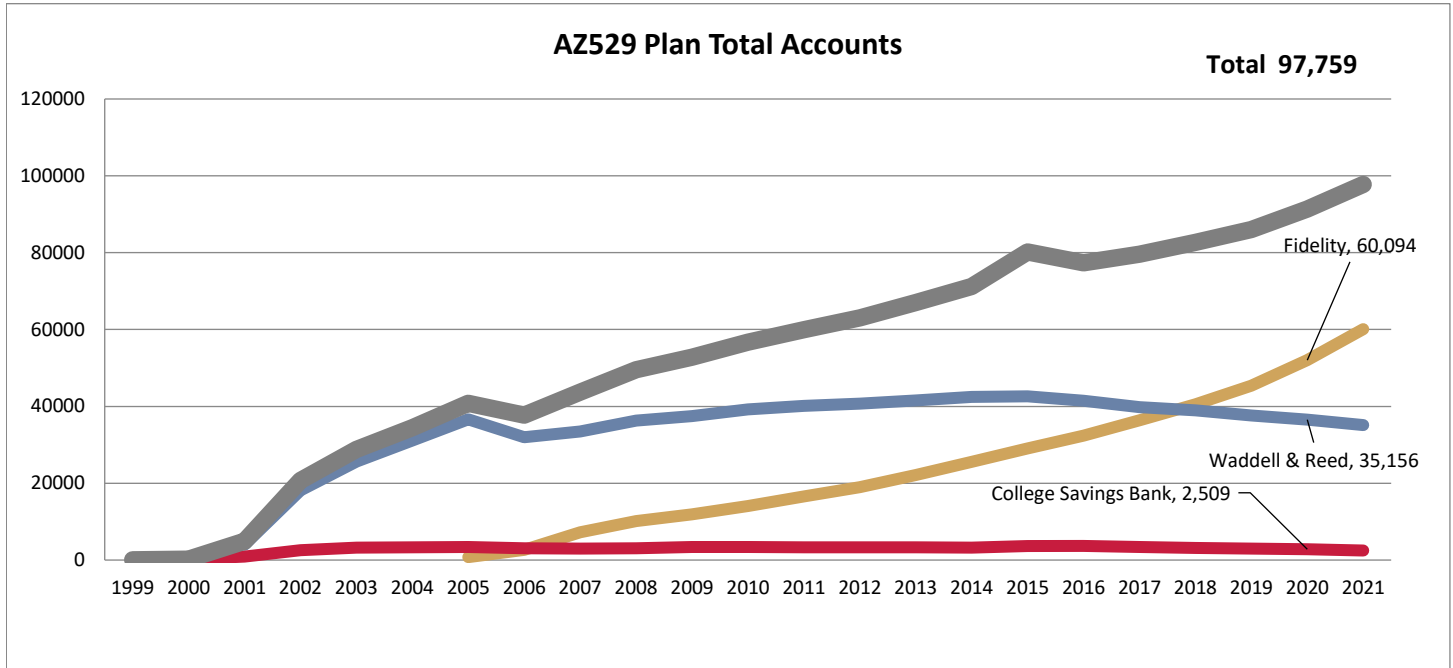
Over the last year, ASTO has worked diligently to administer a AZ529 Plan that helps Arizonans realize their educational aspirations through dedicated investments and savings. With the statewide radio campaign, digital and social media ads, new partnerships with key strategic allies and stakeholders, and multiple news media features, ASTO has encouraged Arizonans of all backgrounds to open a AZ529 Plan account for themselves, a child, friend or a loved one.



Arizona families deserve the best educational options, from workforce training to traditional college education, and AZ529 helps make those options a reality. We look forward to prudently managing this important Plan in the years to come, ensuring that it is made as accessible as possible to everyone throughout our great state.



APPENDIX A:
AZ529 Plan Account and Asset Growth Trends (Inception to 12/31/2021)





APPENDIX B:
AZ529 Plan Account and Asset Growth by Provider by Year (Inception to 12/31/2021)

